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Letter No. 2203

March 7, 1985

HAYING, GRAZING TO BE PERMITTED Farmers in areas where severe weather conditions have lead to a critical lack of hay supplies will be permitted to hay and graze 1985 acreage set up as conservation reserve acres. In making the announcement, Sec'y of Agric John Block said the action was being taken because some areas have experienced substantially reduced hay production and pasture development because of adverse weather. USDA officials will determine which counties are eligible to participate. Farmers in the eligible counties will need to apply to their local Agricultural Stabilization and Conservation Service office for permission to hay and graze their reserve acres. Farmers also will be allowed to let another producer hay and graze their acres.

OATS REMOVED FROM RELEASE STATUS

Oats are no longer in release status. U.S. Department of Agriculture officials took the action following a review by the Commodity Credit Corporation of its average market prices March 1. The national average adjusted price of \$1.64 per bushel for oats on March 1 was 1 cent below the reserve release level. Consequently, storage payments for reserve oats will resume in all states. And producers may no longer repay loans without penalty on their farmer-owned reserve oats.

FARM BILL HAS FOOD AID Under Sec'y of Agric Daniel Amstutz told reporters at the Agricultural Journalists Conference in Washington, D.C. that the upcoming farm bill contains strong provisions for continued food aid to needy countries of the world. He said food aid will continue in two major efforts: Emergency type actions and longer range development actions. He told the journalists the U.S. already has donated over 2 million tons of food in the first four months of the current fiscal year.

RETAIL MEAT MAY COST MORE Retail meat prices may rise 2-5 pct. this year, which would put the rise right at the inflation rate, according to a U.S. Department of Agriculture report. Two factors are contributing the increase costs...improved consumer purchasing power and modest declines in meat supplies. USDA economist Karen Parham reports that Choice beef at retail may rise 1-4 pct. above 1984's \$2.40 per pound this year. Retail pork prices may climb 2-5 pct. but remain below 1982's record \$1.75 per pound. Poultry prices may slip 3-6 pct. from the record highs set last year. (Parham may be reached on 202-447-8636.)

NEW TRADE OFFICE IN ALGERIA The Arab world now has a fourth U.S. trade office. The administrator for the U.S. Department of Agriculture's Foreign Agricultural Service Richard Smith officially opened the new trade office in Algiers, Algeria, March 5. The official opening coincided with the start of the Algiers International Fair, March 6-17. In opening the office, Smith said this office will be of great importance in linking Algerian buyers and U.S. sellers. Agricultural Trade Offices serve as field offices for U.S. exporters and are designed to put foreign buyers in contact with U.S. sellers of agricultural products.

FUTURE BEEF TO BE DOWN Several factors are contributing to a sharply reduced base for future beef production. According to U.S. Department of Agriculture economist John Nalivka, these factors include low returns, high feed costs in 1983-84, drought in many areas and financial difficulties in general. However, according to the latest USDA Livestock and Poultry report, total meat supplies will remain large this year, due primarily to expanded poultry output. The report also points out that further expansion is likely in both poultry and pork next year. Nalivka said the Jan. 1 inventory of cattle and calves was the lowest since 1968. Beef cow numbers were the lowest since 1969. And he said another decline is likely this year as fewer heifer calves enter the cow herds because of poor financial incentives last year. The 1984 calf crop was the smallest since 1963, and this year's crop will decline further. (Nalivka's phone number is 202-447-8636.)

MORE EMERGENCY LOANS

A total of 101 counties in Nebraska, Kansas, Pennsylvania and Maine has been declared eligible for U.S. Department of Agriculture loans. In Nebraska, 45 counties qualified for the loans, plus an additional 30 counties because they are contiguous. In Kansas, 34 counties are eligible plus 24 contiguous counties. In Maine, 16 counties, plus 5 contiguous counties, are eligible. And in Pennsylvania, 3 counties were declared eligible, plus 2 contiguous ones.

FEWER WOOD PRODUCTS EXPORTED U.S. exports of solid wood products last year were down 5 pct., according to a U.S. Department of Agriculture report. The total value of the products exported was \$2.7 billion. Primary reason for the decline was a weak demand in Japan. Japan normally is the principal market for U.S. wood products. Also, lower prices for most wood products exports further dampen the effect of the dollar's continued strength against foreign currencies. On the plus side, China's share of U.S. wood exports increased to 11 pct., up from 8 pct. in 1983 and zero pct. in 1979.

FLUE-CURED TOBACCO PROGRAM ANNOUNCED Sec'y of Agric. John Block reports that tobacco farmers must contribute 25 cents per pound to a no net cost fund to be eligible for price supports for the 1985 flue-cured tobacco crop. The support level will be the same as the 1982-84 support levels...\$1.699 per pound. Block pointed out that the Flue-Cured Tobacco Cooperative Stabilization Corporation recommended the 25-cent contribution. The contributions are intended to ensure that the tobacco support program will be operated at no net cost to taxpayers in conformity with the No Net Cost Tobacco Program Act of 1982.

FROM OUR
TELEVISION
SERVICE

"Water Supply Outlook"...<u>Bill Fecke</u> with USDA's Soil Conservation Service talks about the current forecast for water supplies in the West, and factors contributing to the abundant supplies. <u>DeBoria</u> <u>Janifer</u> interviews. (331)

"Fruit Outlook"...USDA economist <u>Ben Huang</u> focuses on factors contributing to the increase in fruit prices during the first half of the year. Vic Powell interviews. (332)

"Livestock and Poultry Outlook"...Total meat supplies are expected to remain large this year, with expanded poultry output compensating for reductions in beef production. USDA economist <u>Leland Southard</u> focuses on factors contributing to this outlook. <u>Vic Powell</u> interviews. (333)

"Wood Product Exports"...U.S. exports of solid wood products in 1984 totaled \$2.7 billion, down slightly from 1983 totals. William Hoffmeier with USDA's Foreign Agricultural Service describes factors contributing to this situation. Deboria Janifer interviews. (334)

"Hog Wars - The U.S. vs. Canada"...USDA economist <u>Carol Goodloe</u> focuses on factors contributing to the competition between the U.S. and Canada for pork products. <u>George Holmes</u> interviews. (335)

SIGN-UP DEADLINE EXTENDED The sign-up deadline for the 1985 acreage reduction programs has been extended to April 1. In extending the deadline one month, Sec'y of Agric John Block said he hopes the extension will provide producers with additional time to plan their farm credit needs for the 1985 planting season.

PEANUT STOCKS ARE HIGHER Peanut stocks in commercial storage as of January 1, totaled 2 billion, 940 million pounds of equivalent farmer stock. That's 28 pct. more than the amount on hand a year earlier, according to the latest U.S. Department of Agriculture report. This total includes 1 billion, 890 million pounds of actual farmer stock compared to slightly over 1½ billion pounds on hand a year ago. Shelled peanuts totaled 988 million pounds and roasting stock totaled 59 million pounds.

MARKETING QUOTAS DISAPPROVED Preliminary results of a mail referendum indicate that tobacco growers have disapproved marketing quotas for the second time and consequently are not eligible for Federal price support for the 1985 crop of cigar binder types 51 and 52 tobacco, according to a U.S. Department of Agriculture report. Tobacco growers voted Feb. 19 through Feb. 22. Cigar binder types 51 and 52 are grown in Connecticut and Massachusetts.

SMALL FARMERS TO RECEIVE HELP The U.S. Department of Agriculture has awarded a contract to Fort Valley State College in Fort Valley, GA, to provide intensive training and management assistance for 120 small acreage farmers in central Georgia. USDA Farmers Home Administration identified the 120 farmers. They are ones who can benefit by receiving the help that will build upon what they know and can do already and develop new knowledge and skills to increase their chances of staying in farming.

OFF MIKE

Interesting week. Monday the farmers came to town, assembled at the Jefferson Memorial, marched to the Department of Ag, then on to the White House. Max Stewart (WSMI, Litchfield, IL) and I stood in my office window and watched the rally in front of the Department, and Max made on-the-spot live reports back to his station. A number of farm broadcasters were in town Monday for that activity, including Marla Behrends (WKAN, Kankakee, IL), Craighton Knau (KMA, Shenandoah, IA), Art Sechrest (WJBC/Farm Radio Illinois, Bloomington, IL), and Mark Vail (Kansas Agriculture Net, Topeka, KS). I suspect I've missed someone who was here on Monday, and I apologize in advance ... Then on Wednesday, we entered into the three-day Ag Journalists' Conference. Some of the above stuck around for that event, and other farm broadcasters came into town just for the conference. These included Larry Steckline (Mid Am Ag Net/KSN, Wichita, KS), Stu Ellis (WSOY, Decatur, IL), Les Houck (Agri-Broadcasting Net, New Holland, PA), Dix Harper (WRAL-TV/Tobacco Radio Net, Raleigh, NC), Bruce Lease (KWOA, Worthington, MN), Lew Middleton (WQHK, Ft. Wayne, IN), Mike Miller (KAIT-TV, Jonesboro, AR), Mike Ramsey (The Agriculture Radio Net, Little Rock, AR), Jerry Reed (WIBX/Northeast Ag Net, Utica, NY), Hugh Robinson (KKOW, Pittsburg, KS), Ed Slusarczyk (WLTB/Ag Radio Net, Utica, NY), Ron Hays (Oklahoma Agrinet, Okla. City), Steve Bell (Univ. of Georgia Radio/TV Service, Athens, GA), Sam Knipp (Radio/TV, Kansas Farm Bureau, Manhattan), Jimmy Lee (Radio/TV, Georgia Farm Bureau, Athens), and Greg Silver (Radio/TV, The Pennsylvania State Univ, University Park). Again, I suspect I've missed someone, for which I apologize ... Earlier we mentioned that Bob Halvorson had retired as County Extension Agent in Maricopa County, Ariz. Bob spent a lot of his time giving out information via radio and television. Now we learn that Marsha Foerman, Extension Agent in Home Economics in Maricopa County, has taken over as producer of the "Farm & Ranch" (now re-named "Farm & Home") show on KTSP-TV, one of Bob's former duties. So, welcome aboard, Marsha.

FROM OUR RADIO SERVICE

AGRICULTURE USA #1449...(Weekly 13½ min documentary) In the first of a two-show series <u>Gary Crawford</u> explores the current financial crisis in the nation's farm areas. He talks with politicians, economists and farmers about economic problems on the farm. (Next week we cover psychological problems on the farm.)

AGRITAPE/FARM PROGRAM REPORT #1438...(Weekly reel of news features) USDA news highlights; Farmers tell their story in Washington; High tech processing of food products; Minifarms.

CONSUMER TIME #931...(Weekly 2½-3 min features) Teenage drinking in rural areas; Is alcoholism a disease?; Human design factors; The Jerusalem artichoke; A more perfect pasta.

USDA RADIO NEWS SERVICE...Fri, Mar. 15, Rice outlook, Milk production report, Floriculture report, World tobacco situation; Mon, March 18, Agricultural outlook; Tues, Mar. 19, Crop and weather update; Wed, Mar. 20, Tobacco outlook, Catfish production. Thurs, Mar. 21, Poultry production report, World agricultural outlook; Fri, Mar. 22, Cattle on feed, Meat production, Hogs and pigs, Dairy outlook. Dial the USDA National News Lines 202/488-8358 or 8359. All material changed at 5 p.m. EST each working day.

AMES L. JOHNSON, CHIEF

Radio and Television Division